LEGISLATIVE SERVICES AGENCY

OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7760
BILL NUMBER: SB 433

DATE PREPARED: Apr 11, 2001
BILL AMENDED: Apr 10, 2001

SUBJECT: Prescription Refills.

FISCAL ANALYST: Kathy Norris
PHONE NUMBER: 234-1360

FUNDS AFFECTED: **X** **GENERAL**
               DEDICATED
           X **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill allows a pharmacist to refill a prescription without the written or oral authorization of a licensed practitioner if certain specified conditions are met. The bill prohibits a pharmacist from reselling, reusing, or redistributing medication that is returned to the pharmacy after the medication has been dispensed unless certain conditions are met. The bill also provides that a pharmacist who violates the provisions regarding the emergency dispensing of a prescription medication commits a Class A infraction. It also adds "Rx Only" as a federal legend. The bill allows a pharmacist to serve as a qualifying pharmacist for more than one pharmacy holding a Type II permit if certain conditions are met.

The bill also prohibits the Office of Medicaid Policy and Planning, (OMPP), until July 1, 2003, from adjusting the rate of the dispensing fee paid to pharmacies participating in the Medicaid program for outpatient drugs that are dispensed directly to the consumer from the rate levels that were in place on January 1, 2001.

Effective Date: (Amended) January 1, 2001 (retroactive); July 1, 2001.

Explanation of State Expenditures: (Revised) The bill would require the State Board of Pharmacy to review instances where a pharmacist might seek to provide services as a qualifying pharmacist at more than two institutions. The Board should be capable of providing this review and approval function within the current level of appropriations. The bill also creates a Class A infraction for violations of the provisions of the bill.

This bill also freezes Medicaid rates paid to pharmacies for dispensing fees for two years (to July 1, 2003). This would eliminate the possibility of obtaining savings in the Medicaid Program from potential decreases in the dispensing fee during the upcoming budget biennium. It would also prevent any increases in these expenses for the next biennium.

Explanation of State Revenues: (Revised) If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is $10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of $70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the $70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A $3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A $2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Kathy Gifford, Director, OMPP.